

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

All You Need: Stankey on AT&T Becoming a One-Stop Connectivity Shop

AT&T CEO *John Stankey* is more confident than ever of his decision to shave the company down to its roots as a connectivity business. The provider offered a peek into its 4Q21 results Wednesday, with postpaid phone net adds clocking in at 880,000. Fiber net adds were 270,000, down from the 289,000 AT&T added in 3Q. On the upside, the company passed an additional 1.7 million homes in 4Q21. Combined, **HBO** and **HBO Max** ended 2021 with 73.8 million global subscribers. That beats the company's predictions that it would count 70-73 million by that time.

"If I were to characterize what's happening inside of the company, it's more often than not right now, we're getting to yes on opportunities for people to do new things, improve products and chase those markets," he said during an investor conference appearance Wednesday. "As we start to talk about our evolution of our product portfolio, both on multi-gig for fiber and what we're doing with 5G rollout and wireless, people can really get excited about that when they can chase those opportunities."

Stankey is looking at connectivity holistically as the future of AT&T, and hopes that his efforts to refocus the company will attract customers looking for an all-in-one solution. To him, that means that customers will be able to sign up for a connectivity bundle where you have access no matter where you are or where you need to use it.

"We have a more balanced portfolio at the low end of the

market in the consumer space and at the top end of the market and business networking," he said. "If that's in fact where we think things are going, I think that positions us incredibly well to respond where we can handle infrastructure... across a broad cross section of fixed or wireless in truly bringing a unified connectivity approach to the customer."

Stankey is still of the mind that AT&T's primary competition in the marketplace are the other traditional wireless companies, **T-Mobile** and **Verizon**. But he's also keeping an eye on cable operators and the arrival of **DISH** in the wireless space. Approximately 12% of those surveyed during the session believed DISH was the biggest threat to AT&T's revenue and cash flow performance in the future. "My gut tells me that DISH coming into the market may be something that's more paired with a combination of possibly another new entrant that wants to do something a little bit differently, but the notion that the topline answer is among the traditional industry players is probably accurate," he said.

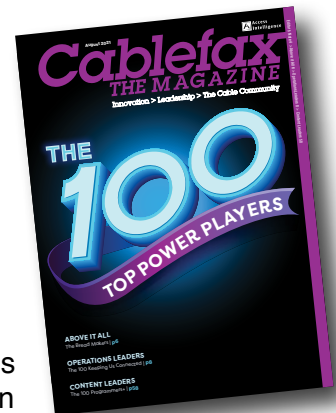
Turning back to fiber, Stankey isn't concerned about the slight downturn in the number of net adds from 3Q21 to 4Q21, attributing it largely to some difficulties with the supply chain. He remains confident that the company will meet its goal of having 30 million fiber households by the end of 2025, and the first step towards that will be delivering in the 300,000 range of new customers per quarter in 2022. "As we continue to add in the footprint, what the investor base should look at is our new fiber adds. Are they continuing to scale and grow irrespective of what we're doing with the footprint," he said. And he's looking



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for additional opportunities outside of AT&T's existing footprint for growth. Ideally, the team will find places to go where they're able to more effectively penetrate the business community.

"We have confidence in those things and we're in a position to go and demonstrate that we can make it happen," he said. "We may be doing some revisions to our approach and our guidance on that moving forward."

VERIZON DEDICATED TO FWA, BROADBAND GROWTH

Verizon's top dogs aren't listening to those that doubt its ability to compete as a fixed wireless broadband provider. That's primarily because they've been thinking about this move for a long time. "When we were first launching 4G, we had a lot of questions about why don't you guys try and get into the fixed market and you could displace DSL easily. The fact of the matter was at the time all we had was the low-band spectrum and we just did not have enough capacity to support mobility use cases along with a fixed use case," Verizon EVP/CTO *Kyle Malady* said during an investor conference Wednesday. "At the end of the day, these networks are really going to be fiber networks with radios hanging off of them. We've been spending an awful lot of time over the years building out our fiber assets." While providers getting into the fixed wireless have talked a big game, a large number of folks remain uncertain as to whether those services will be able to compete with the likes of fiber companies or traditional cable providers. According to a survey conducted among the session's attendees, 34% believed 5G fixed wireless will not act as an effective competitor to fixed broadband services while 28% were undecided. To Verizon EVP/Group CEO, Verizon Consumer *Manon Brouillette*, survey results like those show that a lot of

work still needs to be done to improve consumer and industry perception of fixed wireless services. The company introduced new mix and match offers Tuesday that allowed customers to add one of two fixed wireless access broadband services to their bundle: 5G Home (\$50/month) or 5G Home Plus (\$70/month). She's hoping those options will incentivize customers to try the fixed wireless network for themselves before judging it against fiber or coax. "We'll just be able to do more promotion, more marketing, talk about the product to make sure that people try because the way we look at churn today, when people really get the right performance, they stick to the product," she said.

AMC BUYS ANIME-FOCUSED SENTAI HOLDINGS

AMC Networks is continuing to expand its portfolio of niche streaming services. The programmer completed its acquisition of anime content supplier **Sentai Holdings** Wednesday, giving it ownership of the anime-focused SVOD **HIDIVE**. Sentai currently distributes trending and classic titles to a number of other streamers including **Crunchyroll**, **Hulu** and **Amazon Prime Video**. The company's executive management team of Founder *John Ledford*, COO *Griffin Vance* and CFO *Paul Clinkscales* will remain in senior roles.

COX'S SENIOR LEADERSHIP BENCH

With *Kevin Hart* [moving over](#) to head **Cox Communications'** newly acquired fiber business, **Segra**, the operator is shuffling the deck to fulfill his roles as CTO and Chief Product Officer. COO *Len Barlik* is shifting to the CTO role, while Chief Marketing & Sales Officer *Colleen Langner* steps into the COO job. Langner's previous post goes to *Mark Lawson*. Given that Lawson most recently served as SVP, Digital, his promotion is a clear indicator of Cox's

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focus on digital marketing and the user experience. Of course, all these changes come as Cox starts the new year with new President *Mark Greatrex* following *Pat Esser's* retirement at the end of 2020. There's plenty on the Cox plate for 2022: a mobile offering is expected to be unveiled and there's expansion into new businesses, such as edge computing. Part of Barlik's job will be to assume leadership of the Cox Network Transformation initiative, through which the company is investing billions to support future residential and business applications for Cox customers.

TEGNA ENTERS INTO THIRD MVPD BLACKOUT

Verizon and **TEGNA** couldn't agree to new retransmission consent deal terms, with Fios customers in four markets losing the broadcaster's stations just after 8pm ET Tuesday night. The blackout came after two short extensions, with the original contract set to expire Dec. 31. TEGNA stations have been dark on **DISH** since early October, and **Mediacom** customers in five markets have been without TEGNA stations for just over a year. This isn't Verizon and TEGNA's first tango. At the end of 2018, they couldn't agree to new terms and the same stations went dark for three days. The impasse involves the CBS affiliate in Washington, DC, Verizon's largest affected market. It also includes the NBC station in Buffalo, NY; FOX in Harrisburg, PA; and ABC in Norfolk, VA. DISH and TEGNA have both asked the **FCC** to get involved in their current retrans dispute, but there's been no action on their complaints to-date.

FOX SPORTS BETS ON BELMONT

Fox Corp. is making good on its strategy to lean in heavily to live programming and sports betting, nabbing the media rights to horse racing's Belmont Stakes from **NBC** starting next year. The deal for the Triple Crown event runs through 2030 and grants **NYRA Bets** title sponsorship to the Belmont Stakes. NYRA Bets is an advance deposit wagering business currently operating in more than 30 states, and majority-owned by the **New York Racing Association**, with Fox Corp. holding a minority interest. Fox and the NYRA have been collaborating since 2016, airing 80 hours of daily coverage from Saratoga that coincided with the launch of NYRA Bets. Fox Sports' total coverage of horse racing has grown every year since the partnership began, eclipsing 700 hours in 2020.

MAGNOLIA FINALLY BLOOMING ON CABLE

It's been a long time coming, but *Chip* and *Joanna Gaines'* channel makes its linear debut tonight at 9pm ET as **DIY Network** rebrands to **Magnolia Network**. The jv between **Discovery** and the Gaines premieres with "Fixer Upper: Welcome Home," with the channel to be home to all existing Magnolia Network original series. The linear network was originally set to launch in the summer of 2020, but like so many things, COVID-19 delayed the transition. Instead, Discovery debuted some original programming on **discovery+** and the Magnolia app in July to create buzz ahead of an eventual linear launch.

PEACOCK IS OLYMPICS CENTRAL

Peacock will live stream all **NBCUniversal** coverage of the 2022 Winter Olympics, Feb 2-20 from Beijing, China. In addition to live competition streams across all 15 sports, premium tier customers will also enjoy the Opening and Closing Ceremonies, NBC's nightly

primetime show, full replays of all competitions available immediately upon conclusion, exclusive daily studio programming, medal ceremonies and more. Programming plans for NBCU's broadcast and cable networks are still to be announced.

RATINGS

The Season 4 finale of "Yellowstone" delivered more than 10 million total viewers, with 9.3 million of those coming from **Paramount Network**. That's up from the 5.2 million Paramount saw for the Season 3 finale. A **CMT** simulcast helped push total viewers to 10.3 million, making it the most-watched series telecast on cable since the S3 premiere of "The Walking Dead" on **AMC** in October 2017. Yellowstone goes down as the #1 series of 2021 for 18-49s and 25-54 across broadcast, cable and premium. Just as AMC launched franchise spinoffs based on TWD, **ViacomCBS** is going all-in on Yellowstone with streamer **Paramount+** debuting "1883" and "Mayor of Kingstown." – **NBC Sports'** Premier League coverage this past weekend on **USA Network** posted a 27% audience increase over last year's comparable weekend cable coverage on **NBCSN** (reminder, NBCSN shuttered at the end of 2021). Five Saturday-Sunday matches on USA averaged a total audience delivery of 570,000 viewers, up from a 449,000 average for four games Jan 2-3 on NBCSN last year. – Last week, **ESPN** dethroned **Fox News** from its usual perch as the most-watched ad-supported cable net in total day and primetime. Helped by the College Football Playoffs, ESPN averaged 3.137 million viewers in total day and nearly 8.46 million in prime vs Fox News' 1.225mln viewers in total day and 1.749mln in prime.

PROGRAMMING

Game Show Network is airing an 8-hour marathon of "Match Game" Saturday at 9am ET featuring episodes starring "The Golden Girls" sweetheart *Betty White*. – **BET** and **BET Her** will exclusively premiere "BET Her Presents...Becoming: Michelle Obama In Conversation" on Jan. 17 at 7pm ET. American actor *Yara Shahidi* will moderate the conversation while students from 22 participating colleges will be able to join Obama onstage to discuss mental wellness, diversity and much more. – "When Calls the Heart," **Hallmark Channel's** longest-running series, returns March 6 with 12 new episodes. Expectations are high as Season 8, which ran from February to early May in 2021, was the most watched of the series in households (2.7 million), total viewers (3.3 million) and women 18+ (2.4 million).

PEOPLE

DISH veteran *John Swieringa* was named President and COO of **DISH Wireless**, putting him in charge of all operational aspects of the company's wireless business. That includes the deployment and management of DISH's virtualized, O-RAN 5G broadband network. He'll continue to lead DISH's retail wireless business. – Kudos to veteran journalist and former **Cablefax** publisher *Michael Grebb*, who has joined **One Touch Intelligence** as VP and Lead Analyst. Grebb will head up the team covering media, communications and entertainment/streaming. One Touch Intelligence provides market research and competitive intelligence for the media and communications industry through original monitoring, custom research and more.

Think about that for a minute...

AI AR VR BS

Commentary by Steve Effros

I have long resisted the journalistic habit of spending the last week of the outgoing year and the first of the next to “look back” and “look forward”. It just seems to me it’s more useful to keep looking all the time lest you trip over your own assumption that you know what’s going on around you. But for most folks that’s just not how the game is played.

In particular, a “new year” always brings “new” technology. It’s not a surprise that the consumer electronics industry has its annual confab in Las Vegas in the first week of the year. That’s the kick-off for lots of PR leading to lots of advertising for the newest of the new shiny, “must have” gadgets and stuff. Even with a truncated CES show this year because of COVID, you can rest assured that it will be no different.

So what are they going to try to sell us this time? Well, it seems the marketers are once again enamored with two-letter abbreviations. This year’s trio: AI, VR and AR. That’s artificial intelligence, virtual reality, and augmented reality. If you haven’t been inundated with articles about them yet, fear not, they’re coming!

Artificial intelligence is the most interesting one, and also the most problematic. It’s not really a gadget or thing, it’s the information processing that is being built into all sorts of computer programs, algorithms, and, yes, devices like industrial robots. The theory is that if you aggregate enough data about a process, be it a simple repetitive assembly line process or a complex process like driving a car then the data can be manipulated in such a way that it reveals how that process should be accomplished. Then it can be simply “built” with AI into code that automatically does it. Great. Until the power goes out or there’s a little glitch in the code! We’re going to hear a lot about both the promise and the danger of AI this year.

Augmented Reality and Virtual Reality are kissing cousins of the dream long held of folks being enveloped by the media they are using into a “new reality.” You know, those big goggle-type things now showing up that you put on and then can “walk through” the video in Virtual Reality or have things added to

the reality you are actually experiencing in Augmented Reality. The Googles, Sonys and Apples of the world are about to engage in a massive sales effort to convince you that their two-letter abbreviated renditions of what media reality should look like in the future is here today.

Would it come as a surprise that these great new technologies which their advocates say totally change the media world have a few major hurdles to jump that predecessors failed to navigate? Think, for instance, about 3D. That was the great new wonder of the CES shows years ago. Everyone started making 3D sets. The hype was over the top. There were only a few problems; first and foremost, while the consumer electronics folks were selling the screens, there was virtually nothing to see on them in 3D!

There was a major software/hardware mismatch. Yes, the sets sort of worked. They tended to be too big for the rooms they were bought for, however, and not a few folks found they got nauseous watching the few shows that were transmitted in 3D. Ooops. As we all now know, that technology, even though it improved, never really made it.

Will AR and VR suffer the same fate? Maybe. They won’t have to rely on just entertainment video, however. Gaming may be the ideal venue for them. We’ll have to wait and see. Meanwhile, regarding all the coming hype, I’d just remind you of another two-letter abbreviation: BS.



Steve

T:202-630-2099
steve@effros.com

(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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